Management Perceptions of the Importance of Brand Awareness as an Indication of Advertising Effectiveness

Emma Macdonald and Byron Sharp

In 1987 Rossiter and Percy wrote "Brand awareness is widely misunderstood and often wrongly measured, even by experienced managers" (p41). Yet brand awareness is covered in most texts on advertising measurement, it is a central part of the popular hierarchy of-effects advertising model, and marketing managers claim it as an important goal of their communications activities (Kelly 1991). This paper discusses recent theoretical developments which attempt to explain the role which brand awareness plays and then presents empirical findings concerning how Australian managers utilise brand awareness as a measure of marketing and advertising effectiveness.

Keywords: Brand Awareness

The Role of Brand Awareness

Rossiter and Percy (1987) describe brand awareness as being essential for the communications process to occur as it precedes all other steps in the process. Without brand awareness occurring, no other communication effects can occur. For a consumer to buy a brand they must first be made aware of it. Brand attitude cannot be formed, and intention to buy cannot occur unless brand awareness has occurred (Rossiter & Percy 1987; Rossiter et al. 1991).

In memory theory, brand awareness is positioned as a vital first step in building the "bundle" of associations which are attached to the brand in memory (Stokes 1985). The brand is conceptualised as a node in memory which allows other information about the brand to be "anchored" to it (Aaker 1991b). The conceptualisation of a network of brand associations in memory with the brand as a central core has been put forward by many others (eg. Keller 1993; Holden 1993; Holden & Lutz 1992).

Brand Awareness in Decision Making

The above two roles of brand awareness should be well known to marketing managers. The role of brand awareness in decision theory is probably less well known.

Brand awareness and the consideration set

Brand awareness has been hypothesised to play a crucial role in determining the consideration set: the small set of brands which a consumer gives serious attention when making a purchase (Howard & Sheth 1969; Narayana & Markin 1975). The composition of this small set of brands which are considered during decision-making is important. A brand that is not considered cannot be chosen (Baker et al. 1986), and further, the probability of the brand being chosen is a function of the number of other brands in the consideration set, for instance, the probability of a brand being selected from 1, 2, 3, or 4 brands, decreases rapidly from 1.0 to 0.5, 0.33, and 0.25 respectively.

In a situation where the consumer is aware of a number of brands which fit the relevant criteria, he or she is unlikely to expend much effort in seeking out information on unfamiliar

brands. A brand that has some level of brand awareness is far more likely to be considered, and therefore chosen, than brands which the consumer is unaware of. Additionally, the strength of awareness of the brands within the consideration set can also be significant. Wilson (1981 cited in Woodside & Wilson 1985) confirmed the importance of top-of-mind awareness in a study which found that the higher the position of the brand in the consumer's mind measured by unaided recall, the higher the purchase intention and the higher the relative purchase of the brand. In another study, increases in brand awareness were shown to increase the probability of choice even without any accompanying change in attitude or perceptions (Nedungadi 1990).

Brand awareness as a heuristic

Brand awareness can also affect decisions about brands within the consideration set (Hoyer & Brown 1990; Keller 1993). Consumers may employ a heuristic (decision rule) to buy only familiar, well-established brands (Roselius 1971; Jacoby et al. 1977, both cited in Keller 1993). Consumers do not always spend a great deal of time making purchase decisions. In a study of pre-purchase search for laundry powder, Hoyer (1984) found that the median number of packages examined in-store was 1.2 before a selection was made. Dickson and Sawyer (1986) found that for purchases such as coffee, toothpaste and margarine, the consumer took an average 12 seconds from the time of first looking at the shelf to the time they placed the item in their trolley. In many cases consumers try to minimise the costs of decision making in terms of time spent, and cognitive effort, by employing simple rules of thumb, such as 'buy the brand I've heard of'. This is particularly likely to occur in low involvement situations where a minimum level of brand awareness may be sufficient for choice (Hoyer & Brown 1990; Mackay 1990). In such situations, the consumer may lack the motivation or the ability to judge between brands (Petty & Cacioppo 1986).

Brand awareness enhances perceived quality

A further way brand awareness may affect choice within the consideration set is by influencing perceived quality. In a consumer choice study by Hoyer and Brown (1990) over 70% of consumers selected a known brand of peanut butter from among a choice of three, even though another brand was 'objectively' better quality (as determined by blind taste tests), and even though they had neither bought or used the brand before. This result is even more surprising considering the subjects were given the opportunity to taste all of the brands. Just being a known brand dramatically affected their evaluation of the brand. Intuitively, this makes sense: a consumer may rationalise that if they have heard of a brand, the company must be spending a fair sum on advertising. If it is spending a lot on advertising, then the company must be reasonably profitable which means that other consumers must be buying the product and they must be satisfied enough with its performance, therefore the product must be of reasonable quality. Stokes (1985) found that for a low involvement product (rice) familiarity had a greater magnitude of effect on the quality perception of a brand than either price or packaging. And further, that familiarity had a significant effect on purchase intention whereas price and package design did not.

How Does Brand Awareness Benefit the Marketing Manager?

Brand awareness should be an important goal of the marketing communications efforts of a firm as it has a number of important functions. It is widely acknowledged that without brand awareness occurring, brand attitude and brand image cannot be formed. However, equally important but less widely recognised is the importance of brand awareness as a heuristic which can affect inclusion in the consideration set, and in many situations may be sufficient by itself to determine choice from the consideration set ie., brand awareness can determine not only entry

to the consideration set, but can also determine which brand is chosen from the consideration set.

Aaker (1991a, b) argues strongly the case for brand building and maintaining brand equity; he cites brand name awareness as one of four major brand assets which add value to the product or service and/or its customers. Investments in brand equity and in particular brand awareness can lead to sustainable competitive advantages and thus to long term value. Brand awareness can add value by 1. placing the brand in the consumer's mind, 2. acting as a barrier to entry to new unestablished brands (Stokes 1985), 3. reassuring the customer of the organisation's commitment and product quality, and 4. providing leverage in the distribution channels (intermediaries are customers too, and are just as suspicious as consumers are of unknown products) (Aaker 1992).

However, there is difficulty in demonstrating the value of assets such as brand awareness to managers. Aaker (1991a) complains the problem is that, firstly, enormous pressure exists for organisations and their brands to demonstrate short-term profit results. Brand managers are often given a one to three year time horizon and little incentive to make strategic brand building investments. And secondly, demonstrating the long-term value of brand building is "exceptionally difficult" (Hogarth 1980, Aaker 1991a). Even managers who claim that they are concerned with the brand building activities of their firm, find difficulty in gaining support and resources for these activities.

In the light of Aaker's findings, a study by Kelly (1991) is very interesting. Kelly carried out a series of interviews with Australian marketing managers. Many of the managers he interviewed "maintained that their advertising was directed towards building the longer term effects of favourable brand image and strong brand loyalty". Other managers were quoted as saying that they "were not looking for short-term results" but that advertising provides them with the opportunity "for corporate branding and image building which is very much oriented to the longer term" (Kelly 1991 p.5.). In other words, these managers claimed the long-term goals of brand-building and brand image to be of greater interest to them than short-term objectives such as sales. However this research was based on discussion with managers, and might obviously suffer from managers saying what they felt they *should* do, rather than what they actually do, especially when talking to a marketing academic.

Why is brand awareness misunderstood?

Rossiter and Percy (1987) claim that the difficulty lies in that there are two types of brand awareness: brand recognition and brand recall, and which of these occurs will depend on the choice situation. Brand awareness does not necessarily require recall of the brand name. The consumer may identify a brand by its location ("the store on the corner") or its packaging or shape ("the hexagonal bottle for Heinz tomato sauce"). Furthermore, brand recall may not be necessary for purchase; mere recognition of the brand in the store, "Hey that's the new banana flavoured milk" may be sufficient for purchase to occur. Lynch and Srull (1982) defined these different choice situations as stimulus-based (where all the relevant brand and attribute information is physically present), memory-based (where all relevant information must be recalled from memory) and mixed-choice (where some of the information is physically present, and some must be recalled from memory). Obviously, brand recognition occurs in stimulus-based situations, and recall occurs in memory-based situations. Both types of awareness would occur in mixed-choice situations*

^{*} Alba, Hutchinson and Lynch (1991) argue that a pure stimulus-based choice situation does not occur in the real world. They claim that even in a supermarket, which intuitively would be a stimulus-based choice

The objective of this study was to determine the level of understanding of brand awareness amongst marketing practitioners, and their use of it as a measure of their marketing effectiveness.

Methodology

Personal in-depth interviews were carried out with ten marketing managers initially. These were used to determine how a questionnaire to managers would be received and how it should be structured. It was important to use language in the questionnaire which would be widely understood. The final questionnaire was administered over the phone to 100 marketing managers in South Australia. Screening allowed those responsible for the majority of marketing decisions within an organisation to be targeted and avoided those who are called "marketers" but have little true responsibility in the area. The questionnaire was administered over a three-week period in 1993.

Subjects

The subjects involved were marketing managers in South Australia. The majority of these were accessed through the database of the Australian Marketing Graduate Association which has a large alumni base and also through more general sources (eg. Yellow pages). The managers represented a variety of organisations from service and manufacturing fields, and government and private sector.

In-depth interviews

The purpose of the in-depth interviews was primarily to design a questionnaire which would capture managers' perceptions. From these ten interviews it was determined that a strong variation exists in the level of understanding of the brand awareness concept amongst marketing managers and in the value that is perceived to derive from brand awareness. Surprisingly, two managers became quite defensive when the topic of the interview was reached and one actually refused to answer any more questions. The majority of the managers however, were very helpful, and made a valuable contribution to the design of the study.

Of the ten managers interviewed, four showed a good understanding of the concept. However, a number of managers failed to delineate brand awareness from other marketing communications outcomes, such as, brand image, attitude and consumer perceptions. Half of the managers surveyed used brand awareness as a measure of their communications effectiveness, however, it was not measured in a deliberate manner, or on a regular basis: "No, we don't directly measure brand awareness, but when we launch a new product part of the survey is targeted at whether people recognise the product and corporate brand". Lack of resources was partially to blame: "As to monitoring brand awareness, we can't do it as often as we would like due to cost restraints". It was noted that the tone of a couple of managers was regretful: "Yes we *should* do that". A number of managers commented that sales level was the most frequently used measure of marketing effectiveness. If sales were not doing well for some reason, then a survey might be carried out which possibly included a question giving some indication of brand awareness.

situation, the external stimulus environment is so complex that the consumer must recall what they are seeking in order to find the relevant brand and product category in the display.

Surprisingly, the marketing manager from one of the most highly advertised and recognised brands in the world claimed that "brand awareness is a useless concept". He appeared however, to have brand awareness confused with ad awareness, which rather than being a long-term asset is merely a measure of the recall of a particular ad campaign: "the only use of brand awareness is to tell the advertising agency if they have made a good commercial".

Questionnaire

On the basis of the findings from the in-depth interviews a questionnaire was designed which could be administered to marketing managers in a variety of organisation types. The questionnaire was divided into three main sections: the first section aimed to determine how managers measure their marketing communications' effectiveness, and whether brand awareness was mentioned in this context; the second section was designed to test managers' understanding of the brand awareness concept and their perceptions of its usefulness; and the third section aimed to find out if and how they used brand awareness as a measurement tool.

Results

The results of the questionnaire are presented in the order of the questions that were asked.

When asked (unprompted) what measures of their communications activities they used, 57% of the marketing managers claimed that they used their sales figures. The measures that were then rated as most used were coupon response 16%, customer feedback 12%, and customer enquires 12% (Table 1), all of which are response-based measures. These are all short-term measures of communication effectiveness and seem to contradict Kelly's (1991) findings that managers are most concerned with long-term measures. Less than 5% mentioned cognitive, long-term measures, such as attitude or awareness (Table 1).

1. Measures of marketing communications activities

Table 1. Measures of marketing communications used (Unprompted)

Type of measure	Respondents
Sales level	57%
Mail response (ie. coupons)	16%
Customer comments / feedback	12%
Customer enquires	12%
Phone enquires	09%
Market share	03%
Attitude	03%
Retention	01%
Awareness	01%
Other	10%
Don't measure	11%

Note: Multiple responses allowed.

Not surprisingly, when prompted, the number of managers who claimed to use any of the measures listed rose dramatically (Table 2).

Table 2. Measures of marketing communications used (Prompted).

Type of measure	Respondents		
Sales level	98%		
Customer's perceptions	90%		
Market share	74%		
Brand awareness	64%		
Ad awareness	61%		
Attitude	58%		

Note: Multiple responses allowed.

More interesting is a comparison of the rankings that some of the measures received when prompted versus unprompted (Table 3). Sales level was consistently ranked as the most useful measure of a firm's marketing communications which firmly contradicts Kelly's (1991) findings that marketing managers are *not* concerned with the short-term measures of their communications' effectiveness. Customer perceptions (a response-based measure) was ranked second and market share (a short-term measure) was ranked third in both instances. Attitude which was ranked as highly as market share in the unprompted situation, received the lowest ranking of all when prompted. It was pushed out of its reasonably high position by brand awareness and advertising awareness. It appears that in the prompted situation the respondent was suddenly reminded about brand awareness and ad awareness (which had received very low measures when unprompted) and rated these quite highly. One possible interpretation is that the first unprompted question found out what managers actually do whereas the second question found out what they thought they should be doing, and one of the things they thought they ought to be doing was measuring their brand awareness.

Table 3. Ranking of measures of marketing communications: Comparison of unprompted ranking versus prompted.

l (Table 2)
1
2
3
4
5
6

^{*} Ranking determined by the number of managers who listed the measurement type.

2. Level of understanding of brand awareness

When asked what does the term 'brand awareness' mean (unprompted), 46% of marketing managers could provide a reasonable definition, though few showed a clear understanding. Another 38% confused brand awareness with other related but higher order cognitive processes such as brand image, customer attitudes and perceptions. Twelve percent of respondents gave answers which could not be classified because they either just repeated the question or gave nonsensical evasive answers (Table 4). Again, this highlights the difficulty involved in talking to marketing people about areas in which they perceive that they are supposed to be experts. Four percent of managers were bold enough to actually come out and say that they believed it a concept of limited value, with comments such as "its a feel good thing", "its just a modern day term which will go out of fashion".

Table 4. Definition of brand awareness (unprompted)

Definition	Respondents		
Brand awareness	46%		
Confused with brand image, etc.	38%		
Response could not be classified*	12%		

Note: Five respondents gave multiple answers.

Of the 46% of managers who provided reasonable definitions of brand awareness, the definitions given could be classified into a few distinct types (Table 5). The majority of these managers (61%) defined brand awareness as simple recognition of the brand, a partially correct answer. Another 30.6% of managers defined brand awareness as the percentage of customers who know the product in the market (16.3%), or the association of the brand with the product category (14.3%). These last two definitions are more accurate and show a greater level of understanding of brand awareness.

Table 5. Elements of brand awareness definition

Definition	Resp (%)	Resp (No.)	
Recognition	61%	30	
How well known the brand is (% of market place)	16.3%	08	
Association of brand with product category	14.3%	07	
Recall	06%	03	
Familiarity	01%	01	

Note: One respondent gave a multiple answer.

3. Measuring Brand Awareness

When asked "Have you ever measured the awareness of any of your brands?" only 44% of

^{*} Answer was vague, evasive or merely a repetition of the question.

managers responded in the affirmative, despite the fact that 64% claimed to use brand awareness as a measure of their communications effectiveness (Table 2) and 61% claimed to measure their competitors' awareness levels. The majority (93%) of those managers who had measured their brand awareness employed an agency to carry out their research.

The remainder of this section considers only those managers who *had* measured their brand awareness at some stage.

Of the 44 managers who claimed to measure their brand awareness, 75% said it was measured on a continuous basis (includes 16% who answered "sometimes" to this question!). This result seemed somewhat surprising considering findings by Aaker (1991a) and others, that brand assets are frequently ignored by managers. In terms of advertising and ad development, 61% said brand awareness was measured during the development of a new ad campaign (incl. 7% "sometimes"), and 59% said it was used to test a new ad campaign. Only 27% (incl. 9% "sometimes") said they measured brand awareness during the initial commercialisation of a new product (Table 6).

Table 6. When is brand awareness measured?

Measure Brand Awareness?	Comme	g initial rcialisation w product	devel ne	Vhen loping a ew ad ipaign		new ad paign		ntinuous sis
	n	%	n	%	n	%	n	%
Yes	8	18	24	54	26	59	26	59
No	28	64	17	39	18	41	11	25
Sometimes	4	9	3	7	0	0	7	16
Not Applicable	4	9						

Managers reported the frequency of measuring brand awareness as annual (43%) or every few years (25%). Less than a third of managers reported measuring brand awareness quarterly or monthly (Table 7). This result seems inconsistent with managers' reports that they measure brand awareness on a continuous basis. It appears that by "continuous" many of the managers actually meant every year or two, and quite possibly this would coincide with the frequency with which they are required to develop and test new ad campaigns. Therefore it is possible that contrary to their claims, many of the managers do not measure their brand awareness continuously at all.

Table 7. Frequency of measuring brand awareness

Frequency	n	%
Monthly	5	11
Quarterly	9	21
Annually	19	43
Every Few Years	11	25

When asked (unprompted) how they measure brand awareness, not surprisingly, 77% of managers said they use a questionnaire. More surprising, is the 43% of managers who claimed to use their sales figures to determine their brand awareness (Table 8). What this really means is that they do not measure their brand awareness at all. This result seems consistent with the findings from the in-depth interviews that sales figures are the most commonly used measure of marketing effectiveness. If sales levels are reasonable, then managers assume that their marketing communications and their level of brand awareness are acceptable. In many cases, brand awareness is only measured if something appears to go wrong with the brand.

Table 8. Measurement of brand awareness (unprompted).

Measure awareness	n	%
Carry out a questionnaire	34	77
Face-to-face at point of contact	25	57
Look at sales figures	19	43
Using a competition	13	30

Note: Multiple responses allowed.

Fifty percent of managers who had measured brand awareness at some time claimed satisfaction with the frequency with which they measure brand awareness (Table 9). Considering that less than a third of managers measure brand awareness at least quarterly, this result appears to show the lack of importance that many managers attach to brand awareness. Another 48% of managers said that they do not measure brand awareness as often as they would like to, and the main reason given for this was a lack of resources, such as time or money.

Table 9. Satisfaction with frequency of brand awareness measurement.

Do you measure brand awareness		
as often as you would like to?	n	%
Yes	22	50
No	21	48
No response	1	2

Discussion

Against the advice of nearly every marketing and advertising textbook managers appear to do little to monitor communications effectiveness and pay scant regard to direct measures of communication effect instead preferring sales or related measures. These results seem to indicate a large discrepancy between the importance attributed to brand awareness by marketing texts and its use by marketing managers. This may be partly explained by the sample being of South Australian managers. Few head offices of very large organisations are located in South Australia and it might be that in larger organisations marketing management is more sophisticated and managers better qualified.

Another potential explanation for the failure of management to undertake regular measurement of brand awareness is that managers of well established brands may lose interest after conducting several surveys which all report similar high levels of brand awareness. Though this does not explain why managers make such little use of advertisement awareness as a measure of the effectiveness of a new campaign. The reason for this is likely to lie simply in the almost active discouragement of such testing by advertising agencies and by the unwillingness of some advertising/marketing managers to subject aspects of their work to measurement. It is precisely the reason why textbooks advise against using variables such as sales to measure communications effectiveness that advertising managers may use hem - it allows them to escape scrutiny and to blame bad sales results on other causal events such as current pricing levels, competitor actions, and sales force efforts.

Conclusion

This study helps to explain the attitude of many managers to the concept of brand awareness. Despite marketing theory which proposes that high brand awareness can be a very valuable asset to a firm, our finding is that the concept is frequently dismissed by managers as unimportant and certainly not worthy of monitoring. The authors' interpretation is that amongst a great many managers, gaining brand awareness is regarded as a once-off battle which must be fought, and once it is won, it can be forgotten. Managers give little consideration to the idea of maintaining and monitoring brand awareness on a continuous basis.

While brand awareness offers a great deal of potential value to the marketing manager, the difficulty lies in its measurement. Managers' lack of interest is partially justified by the insensitivity of existing measures of brand awareness. While determining the breadth of a brand's awareness (ie. the percentage of the population who recognise the brand) is quite easy, measuring depth of brand awareness is extremely difficult. Yet it is the depth of brand awareness, that is, the level of accessibility or "salience" of the brand in the consumer's mind, which is of most interest to mature markets. A need exists for more extensive research in this area so that greater sensitivity in measures of brand awareness can be developed.

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Emma Macdonald is from the Department of Management, Newcastle University, and Byron Sharp is from the Marketing Science Centre, University of South Australia.